

MORRIS JEFF COMMUNITY SCHOOL

Compilation of Financial Statements

June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/12/11

Contents

Accountant's Compilation Report	1
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Financial Statements

Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7



Accountant's Compilation Report

To the Board of Directors
Morris Jeff Community School
New Orleans, Louisiana

We have compiled the accompanying statement of financial position of Morris Jeff Community School as of June 30, 2010, and the related statement of activities, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of management in the form of financial statements. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.


A Professional Accounting Corporation

October 27, 2010

MORRIS JEFF COMMUNITY SCHOOL
Statement of Financial Position
June 30, 2010

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 63,398
Grant Receivable	<u>46,764</u>
Total Current Assets	<u>110,162</u>
Total Assets	<u><u>\$ 110,162</u></u>
Liabilities and Net Assets	
Current Liabilities	
Accounts Payable	<u>\$ 1,755</u>
Total Liabilities	<u>1,755</u>
Net Assets	
Unrestricted	98,407
Temporarily Restricted	<u>10,000</u>
Total Net Assets	<u>108,407</u>
Total Liabilities and Net Assets	<u><u>\$ 110,162</u></u>

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

MORRIS JEFF COMMUNITY SCHOOL
Statement of Activities
For the Year Ended June 30, 2010

	Unrestricted	Temporarily Restricted	Total
Revenue, Grants and Other Support			
Federal Grants	\$ 81,329	\$ -	\$ 81,329
Donations	22,384	10,000	32,384
Other Income	84,249	-	84,249
Total Revenue, Grants and Other Support	187,962	10,000	197,962
Expenses			
Program Services			
Regular Education Programs	18,845	-	18,845
School Administration	14,634	-	14,634
Other Instructional Programs	21,471	-	21,471
Pupil Support Services	89	-	89
Management and General			
General Administration	6,828	-	6,828
Central Services	25,005	-	25,005
Business Services	2,683	-	2,683
Total Expenses	89,555	-	89,555
Increase in Net Assets	98,407	10,000	108,407
Net Assets, Beginning of Year	-	-	-
Net Assets, End of Year	\$ 98,407	\$ 10,000	\$ 108,407

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

MORRIS JEFF COMMUNITY SCHOOL
Statement of Cash Flows
For the Year Ended June 30, 2010

Cash Flows from Operating Activities	
Increase in Net Assets	\$ 108,407
Adjustments to Reconcile Increase in Net Assets to	
Net Cash Provided by Operating Activities	
Increase in Grants Receivable	(46,764)
Increase in Accounts Payable	<u>1,755</u>
Total Adjustments	<u>(45,009)</u>
Net Cash Provided by Operating Activities	<u>63,398</u>
Net Increase in Cash and Cash Equivalents	63,398
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 63,398</u></u>

See Accountant's Compilation Report.
The accompanying notes are an integral part of these financial statements.

MORRIS JEFF COMMUNITY SCHOOL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Morris Jeff Community School (the School) was created as a non-profit corporation under the laws of the State of Louisiana (the State) on February 13, 2009. The School applied to the Louisiana Board of Elementary and Secondary Education (BESE) to operate a Type 5 charter school. On June 8, 2010, BE SE approved the charter of the School. The charter was granted for an initial term of 3 years and will terminate unless BESE grants the School a 2 year extension of the contract pursuant to Louisiana Revised Statute 17:3992 and 3998.

The School will serve eligible students in Pre K through second grade. A summary of the School's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

Financial Statement Presentation

The School follows the guidance of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the School is required to present a statement of cash flows.

The School also follows the guidance of the *Not-for-Profit Entities* Topic of the FASB ASC, whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions. Restricted contributions, for which the restriction is met in the same year, are classified as unrestricted.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements. The financial statements of the School are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Revenues

The School's primary source of funding is through the State Public School Fund. The School received \$81,329 from the State Public Charter School Grant Program. State and Federal grants are on a cost reimbursement basis. An accrual is made when eligible expenses are incurred.

Income Taxes

The School is recognized by the Internal Revenue Service as a Section 501(c)(3) tax-exempt organization.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the School considers all investments purchased with an original maturity of three months or less to be cash equivalents.

MORRIS JEFF COMMUNITY SCHOOL

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The School received 41% of its revenues for the year ended June 30, 2010, from federal grants.

Note 2. Cash and Cash Equivalents

The School's cash and cash equivalents (book balance) at June 30, 2010, are \$63,398, which are stated at cost and approximates market.

Note 3. Grants Receivable

As of June 30, 2010, grants receivable totaled \$46,764, which was a receivable for federal grants passed through the Louisiana Department of Education. The balance is considered to be fully collectible.

Note 4. Uncertain Income Taxes

The School adopted the provisions of the *Accounting for Uncertainty in Income Taxes* Topic of the FASB ASC upon inception. The implementation of this topic had no impact on the statement of financial position or statement of activities.

As of October 27, 2010, the School had not filed their 2009 tax return. The School recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The School's tax filings are subject to audit by various taxing authorities. Management has evaluated the School's tax position and concluded that the School has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

Note 5. Temporarily Restricted Net Assets

The School received a donation in the amount of \$10,000 from Beyond Words on March 2, 2010. The donation must be used toward their library program. The School is required to use the money within one year.

MORRIS JEFF COMMUNITY SCHOOL

Notes to Financial Statements

Note 6. Subsequent Events

As of July 23, 2010, the School signed a sublease agreement with the Recovery School District (the District) for the property the School will operate on. The lease terminates June 30, 2011.